

Ontario Place Corporation

2015 - 2017 Business Plan

Year - 2015

Submitted for Ministry approval: March 20, 2015



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GLOSSARY OF COMMONLY USED ACRONYMS

OP or OPC	Ontario Place Corporation
TGM	Transition General Manager
FTE	Full-Time Equivalent – measure of staff numbers
POD(s)	One or more of an original site feature comprised of a five pod pavilion complex over the water
MTCS	Ministry of Tourism, Culture and Sport (ministry)
OPBR	Ontario Place Revitalization Branch
TAB	Tourism Agencies Branch
IO	Infrastructure Ontario
LSB	Legal Services Branch
LN	Live Nation

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Executive Summary

This 2015 Business Plan is being presented during a time when the role of the Ontario Place Board of Directors in the revitalization of the site is evolving. This document reflects the current operations as delivered since partial closure, however, as the Board's ongoing role is further clarified, future Business Plans will better reflect the ongoing business direction and operations of Ontario Place Corporation.

As the organization aligns itself to support and deliver Revitalization Initiatives, the focus of the Corporation during the 2015-2017 period will be twofold:

- 1) To jointly lead policy and implementation decision making for the future revitalization of Ontario Place; and
- 2) To maintain operations and the property of Ontario Place during revitalization.

The Board of Directors and management will pursue the following operational priorities in 2015:

- Maximize revenue generation through existing core business operations;
- Continue to manage OPC's business relationship with Live Nation and Atlantis Pavilions Inc.;
- Host aspects of the 2015 Pan Am Games on portions of Ontario Place as a part of Pan Am Park.

The 2015 proposed budget forecasts \$4.50M in revenues and \$6.50M in expenses. Ontario Place Corporation projects the requirement of a \$2.0M operating subsidy to balance the 2015 budget. The Business Plan assumes that Ontario Place's four core business streams will continue to operate in 2015: the Amphitheatre, Atlantis Pavilions, the Ontario Place Marina and site rentals including parking lot operations.

As the revitalization of Ontario Place is moving forward, OPC will continue to work with TAB, OPRB and IO to develop strategies for other potential commercial uses of OPC without impeding revitalization activities including construction and development of the Urban Park and Waterfront Trail. OPC operations will focus on activities in existing business areas to maximize revenues.

In 2014, Ontario Place Corporation (OPC) operated its second and final year of a transition operations following the government's 2012 partial closure announcement. Management and staff continued to evolve OPC operations on the 2013 transition operating framework and worked within the same resource constraints. As a result, OPC hosted over 620,000 visitors during 2014, it met its net bottom-line budget targets and is projecting an operating surplus for the 2014 year end.

Business highlights from 2014 (based on Oct 31, 2014 forecast) included:

- Maintained operations and self-generated 61% of all OPC revenue
- Parking lot machine revenues increased by 16% from 2013
- Hosted 10% increase in Amphitheatre attendance from 2013
- Hosted the same number of Echo Beach and East Island music event days as in 2013 but saw an overall increase of 26% in attendance
- Managed a 6% increase in site and parking lot rental events from 2013 (76 vs. 81)
- Achieved an overall 40% increase in site and parking lot rental revenue from 2013

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Agency Accountability

Mandate & Legislative Authority

Ontario Place opened in 1971 and is an Operational Enterprise Agency of the Government of Ontario. The legislated authority of Ontario Place is *The Ontario Place Corporation Act*, R S O 1990, c O 34 (the Act). The legislated mandate of Ontario Place is:

- a) To operate Ontario Place as a provincial exhibit and recreational centre;
- b) To develop projects and programs designed to provide the people of Ontario with a greater appreciation of the Province and its accomplishments and potential, and to provide talented artists in the Province with the opportunity to exhibit their works and their abilities;
- c) To develop special programs from time to time considered to be worthwhile to enhance the image of the Province and to co-ordinate activities with the Canadian National Exhibition at times when that exhibition is in operation; and,
- d) To do such other things as the Minister may require from time to time and to advise the Minister on projects and programs of general advantage to the Province.

Current Context

In 2012, the Ontario government announced the partial closure of Ontario Place and endorsed the Minister's Advisory Panel's (MAP) recommendations to transform Ontario Place into a 'must visit' destination and landmark for Ontario families and tourists from around the world.

In the summer of 2014, the government announced the major elements associated with its future vision for Ontario Place guided by a Vision Statement of "Year-round, vibrant waterfront destination."

Goal

In 2015, the Board of Directors will work with the Ministry of Tourism, Culture and Sport to align its mandate and organizational structure to more effectively support and assist the implementation of the Vision for Ontario Place.

Corporate Governance

Ontario Place Corporation is accountable to the Minister of Tourism, Culture and Sport ("the Ministry"), and is guided by a Memorandum of Understanding with the Ministry.

The Ministry of Tourism, Culture and Sport provides leadership to stimulate economic growth and investment and creates an environment that allows Ontario to compete successfully in the rapidly changing world of travel and leisure. The Ministry oversees the activities of its agencies and attractions that promote culture, tourism, economic growth and job creation. The agencies and attractions are the stewards of unique historic assets, built and natural heritage, green space and parklands, and centres of excellence and innovation in regions across Ontario. Together, they offer a wide range of educational, recreational, tourism, cultural and entertainment experiences for residents and visitors.

Ontario Place has received a copy of the Premier's instructions to the Minister on the priorities for the coming year. The Minister of Tourism, Culture and Sport will continue to support culture, heritage, and tourism agencies and attractions to maximize their economic and social contributions to the province. Also the Minister will continue to work with these agencies to ensure they meet high standards of governance, fiscal management and accountability. Regarding revitalization, the Minister is instructed to partner with key

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stakeholders in both the public and private sectors to revitalize Ontario Place. The goal is to create economic opportunities for tourism and investment and transform the site into a year-round, multi-use waterfront destination for people of all ages. As a first step, an Urban Park and Waterfront Trail will open to the public in 2016.

Board of Directors

As outlined in the Ontario Place Corporation Act, the Board of Directors has governance accountability, provides strategic direction for the Corporation and is responsible for the effective oversight of its management. Under The Act, the Board shall consist of not fewer than seven and not more than 13 members appointed by the Lieutenant Governor in Council of whom one shall be a director of the Canadian National Exhibition Association. There are currently seven Board members:

Chair: Penny Lipsett

Members:

Sonny Cho

Linda Franklin*

Timothy Jackson

Jeffrey Kehoe

Barry Steinberg

Winston Young

*OPC Representative on the Canadian National Exhibition Association

Board Committees

The role of the Board committees is to support the Board of Directors and act as a resource for Ontario Place management. Since the closure announcement, the activities of the Board committees have been suspended, with the exception of the Audit Committee.

The following Board members comprise the Audit Committee:

Chair: Winston Young

Members:

Penny Lipsett

Sonny Cho

Senior Management Team*

Eriks Eglite was appointed to the position of the Transition General Manager in 2012. The Transition General Manager is responsible for the operation of the Corporation and has a senior management team comprised of:

Senior Manager, Corporate Services

Hunter Saggar

Senior Manager, Operations and Infrastructure

Michael Dwyer

Executive Assistant to the Transition General Manager

Valerie Holliday

*See Appendix A for an Organizational Chart

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2014 Highlights

Business highlights from 2014 include:

- Maintained operations and self-generated 61% of all OPC revenue
- Parking revenues increased by 16% from 2013
- Hosted 10% increase in Amphitheatre attendance from 2013
- Hosted the same number of Echo Beach and East Island music event days as in 2013 however, attendance increased by 26%
- Managed a 6% increase in site and parking lot rental events from 2013 (76 vs. 81)
- Achieved a 40% increase in site and parking lot rental revenue from 2013
- A decrease in the fee revenue from Atlantis Pavilion by 33% from 2013

In 2014, Ontario Place Corporation is projected to post \$4.75M in revenues and \$2.0M in grants, totaling over \$6.75 million, noting that 70% of it was revenue based. In considering the 2014 non-grant revenues, 61% of the operational revenue was generated through direct Ontario Place business operations e.g. parking lots, site rentals, and marina. The on-site business partners contributed a minority share of revenues. OPC hosted over 620,000 visitors during 2014.

Summary of 2014 Forecasted Income Statement (based on Oct 31, 2014 actual)

Year Ending December 31, 2014				
	2014 Projected	2014 Budget	Better/(Worse)	
	(\$000's)	(\$000's)	(\$000's)	%
Total Operating Revenue	4,754	3,826	928	24%
Total Operating Expenses	6,303	5,817	486	(8%)
Income/(Loss) Before Operating Subsidies	(1,549)	(1,991)	442	22%
Operating Subsidies	2,000	2,000	0	
Net Income/(Loss)	451	9	442	

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2014 Business Plan Commitments

OPC 2014 Initiatives	2014 Measures	2014 Accomplishments
Revenue from OPC direct operations	Non-grant sources to be 66% of all revenue	OPC generated 71% non-grant revenues
Increase OPC commercial rental offerings	Contract for at least 2 new proposed commercial use opportunities in 2014	New commercial rentals for 2014 included: Red bull, IMAX, and 12 Monkeys TV production.
Meet or exceed 2014 OPC budget net income	Improve 2014 bottom line	Management projects a year-end surplus.
Collaborate with Toronto 2015 Pan American Games Organizing Committee to have a venue agreement in place	Ministry-reviewed, Board-approved agreement in place targeted for March 2014	A Venue-Use Agreement was executed in late June 2014.
Begin preparations and beautification for hosting Pan Am Games in 2015	Secure additional funding or grants for OP beautification in 2014	Funding is proposed as part of 2015 Budget.
Board approved demolition of non-heritage structures	Eliminate Health & Safety risks Reduce HVAC & utility expenses Complete by Summer 2014	Extensive research and consultation has been completed to assess and plan next steps.
Great Plains financial software platform to be adjusted to meet the needs of the smaller organization	Review and implement adjustments to GP by Summer 2014	Great Plains software upgrade and system transfer was completed in the summer of 2014.
Continued implementation of the Surplus Asset Disposal Strategy to recycle, redeploy, dispose or sell those assets declared surplus	Continued implementation of strategy: - identify 1 lot of assets not required for ongoing operations by May 2014 Board meeting - have Board review assets and declare them surplus to needs of corporation - offer asset lots to MTCS agencies for redeployment - dispose of remaining surplus assets by way of RFB by spring of 2014	The previous method of surplus asset sale by way of RFB was not effective. OPC is now seeking on-line auction services to sell OPC surplus assets. This pilot project is to be implemented in early 2015.

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Strategic Directions

This 2015 Business Plan is being presented during a time when the role of the Ontario Place Board of Directors in the revitalization of the site is evolving. The partial closure of Ontario Place was announced on February 1, 2012 and since that time the Ministry of Tourism, Culture & Sport (MTCS) has been leading the Revitalization efforts at Ontario Place up to and including the announcement of a vision made by Minister Coteau on July 31, 2014, with its first phase to begin with the construction of the Urban Park and Waterfront Trail on the eastern edge of the site. For the next phases of revitalization, Ontario Place Corporation will be working with the MTCS as co-clients to Infrastructure Ontario (IO).

As the Board's role is further defined, future Business Plans will reflect the more specific business directions and operations, however the plan presented in this document reflects the current operations and is primarily focused on 2015.

As the organization aligns itself to support and deliver revitalization initiatives, the focus of the Corporation during the 2015-2017 period will be twofold:

1) Jointly lead, with MTCS, IO and the Provincial Development Facilitator, the policy and implementation of further revitalization of Ontario Place

AND

2) To maintain operations and the property of Ontario Place during Revitalization.

OPC management will continue to:

- Provide corporate support to the Board of Directors and the Ministry;
- Identify operating efficiencies across the organization and the property;
- Maintain the physical integrity of the buildings and grounds, within resource allocations.

Ontario Place's four core business streams will continue to operate in 2015: the Amphitheatre, Atlantis Pavilions, the Ontario Place Marina and site rentals including parking lot operations. Site and parking lot rentals will be the focus of OPC operations to maximize revenue, but they will be limited by available staffing resources. OPC will also develop strategies and work with TAB, OPRB and IO to for any other potential commercial uses of OPC such as the Cinesphere and areas of West Island all, without impeding revitalization activities including construction and development of the Urban Park and Waterfront Trail.

In 2015, Ontario Place will host several athletic events for the Toronto 2015 Pan American & Parapan American Games at Ontario Place, such as: Open Water Swim, Triathlon, Marathon, Race Walk, Waterski Wakeboard, Cycling and the Para Pan Games' Road Cycling.

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Environmental Scan

The government announced the partial closure of OPC in February 2012 with the intention of beginning the revitalization of Ontario Place. The first phase of revitalization is now being initiated with the construction of the Urban Park and Waterfront Trail on the east island of Ontario Place. The focus of the Corporation during the 2015-2017 period is to actively participate in the revitalization planning efforts as Ontario Place begins a phased revitalization to a year-round destination.

In 2015 OPC management's related operational priorities are to:

1. Continue to manage the core businesses and investigate revenue maximization opportunities;
2. Continue to support the Board and the Ministry;
3. Work with the ministry to plan and implement strategic decisions in support of revitalization;
4. Work with TO2015 in support of OP hosting a part of the Pan/Parapan American Games;
5. Manage existing corporate assets including undertaking surplus asset disposal and limited demolition, as approved by the Board and the Minister;
6. Maintain a healthy and safe site.

As plans for the future of Ontario Place are being developed, OPC management will assess the impacts of decisions on key partners and stakeholders and develop mitigation strategies which includes: consulting stakeholders prior to any major business decisions to ensure transparency and accountability.

The immediate neighbouring area around Ontario Place continues to change as various completed projects, such as Exhibition Place hotel and the East Island Park & Trail, and City infrastructure improvements such as the Gardiner Expressway and Dufferin Bridge. The long-term road works on the Gardiner Expressway and neighbouring roadways have increased the traffic gridlock around Ontario Place. This was first experienced in some measure during the summer of 2013 and is anticipated that the effect of this traffic congestion will have significant permanent effect on Ontario Place's desirability as an event destination and in turn negatively affect OPC parking lot usage and related OPC revenue sources.

In addition, the construction and expansion activity at Exhibition Place continues to reduce available parking and event space in the area, and OPC is increasingly asked to make additional parking spaces available for Ex Place and its clients (including the CNE) whenever possible.

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Business Operations

Transition General Manager's Office

A key priority in 2015 for the Transition General Manager ("TGM") and OPC management is to respond to the needs of Ontario Place during revitalization, including the identification of other revenue generating business opportunities and resources for OPC which are consistent with the government's February 1, 2012 announcement. To achieve this objective, the Transition General Manager will actively liaise with the Chair of the Board and the Deputy Minister, with a dedicated focus on Ministry communication, and the active maintenance of existing OPC stakeholder relations. In addition, the Office of the TGM will continue to support revitalization and associated activities for Ontario Place. In the short-term, it will be critical for the TGM, in consultation with HR Ontario, to identify emerging human resource needs, fill currently vacant positions within the organization, and extend existing staff contracts and secondments, in advance of the start of the peak 2015 operating season.

In collaboration with the Board and the Ministry, the TGM will support discussions concerning the role of Ontario Place Corporation during the phases of Revitalization. Further, several key strategic protocols and accountability tools will require updating in 2015 including the Memorandum of Understanding between Ontario Place and the Ministry.

The office of the TGM will follow-up on resolutions, approvals and directions made by the Board of Directors, in particular making significant progress in the sale of assets declared surplus to the needs of the corporation.

Event Rentals are currently managed through the TGM's Office, by the Executive Assistant.

Corporate Services

The Corporate Services Unit is responsible and accountable for the following 5 areas:

1. Finance
2. Human Resources
3. Information and Information Technology
4. Legal
5. Procurement (including managing OP Surplus Assets)

The unit is staffed by 4 FTEs and is also supported for the summer operational period by a small student complement.

1. Finance

The Finance Unit main responsibilities are related to the provision of:

- Day-to-day financial operation of OPC including all accounts receivable and accounts payable to be up-to-date;
- All OPC financial reporting requirements;
- Inputs and coordination with Office of the Provincial Controller on the annual OPC Audit;
- Analysis and reports as required by the Board, Senior Management, MTCS and MGS.

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In 2014, OPC completed the transition to a streamlined financial software system which will allow for better analysis and reporting functionality. This will assist the unit to ensure that all monthly, quarterly and annual reporting is accurate and submitted in a timely manner.

2. Human Resources

In the fall of 2014, OPC outsourced the delivery of security services to an external security service. This change reduced the OPC workforce to 21 Full-Time Equivalent (FTE) staff.

The post-2012 OPC organization and workforce can be characterized as being "temporary" due to the extensive use of fixed term employment contracts, acting position assignments and temporary assignments in the form of secondments. This requires a significant amount of activity managing staffing requests and staffing extensions in an organization where there is currently no dedicated staff member to administer human resource issues. Ontario Place relies on the services of Human Resources Ontario (HRO) and Ontario Shared Services (OSS) to provide support and advice on HR matters.

3. Information & Information Technology

Ontario Place's Information and Information Technology unit ("I&IT") provides technology services to support the operations of Ontario Place and its partners and is provided by one Technology Support Officer, or 1 FTE.

In 2015, I&IT efforts will be focused primarily on Health & Safety concerns and will support three key priorities: loss prevention, the improvement of connectivity between Administration Building and West Entrance to minimize infrastructure downtime due to power disruptions, and support to the Pan-Am Games.

The public website (www.ontarioplace.com) continues to provide and update corporate information and current business activities for example marina bookings and rental rate fees etc.

4. Legal Services

OPC manages a variety of ongoing legal matters which are coordinated by the Corporate Services Unit and are supported by MTCS Legal Services Branch and Crown Law Office-Civil (CLOC).

5. Procurement Services

The Corporate Services Unit continues to coordinate larger procurements for OPC. In 2014, the Unit coordinated key procurements of an Internal Controls RFS and the Security Services RFS using the OPS Vendors of Record. OPC is seeking a reverse-procurement service to deal of OPC's surplus assets, which is new and unique within the OPS. Working in conjunction with Ministry of Consumer & Government Services' Supply Chain Ontario's Procurement Advisory Branch and Surplus Asset Management Unit along with the MTCS Tourism Agencies Branch and MTCS Legal Services, OPC is poised to release an RFP and move forward for on-line auction services of surplus assets, the first such service procured within the OPS.

In 2015, the Corporate Services Unit will continue to manage and ensure compliance with the government's Procurement Directive for all OPC procurement activities.

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Operations and Infrastructure

The Operations and Infrastructure Unit is responsible and accountable for the following areas:

1. Site Services
2. Security services contract management, event support and compliance
3. Marina
4. Parking

1. Site Services Unit

The 155 acres of land and water lots, buildings, green space, roads and infrastructure are managed and maintained by a full time work force of 6 staff and this is supplemented by summer season student help. The site is actively used from April to November during current annual operations.

The key areas of maintenance responsibility include landscaping, HVAC, plumbing and mechanical, carpentry, electrical services and routine inspections. In addition, staff also manage third-party contracted services for larger projects, such as asphalt repairs, building decommissioning, site fencing, high voltage electrical installation and maintenance, high steel refurbishment, and pod roof repair.

Operating expenditures were analyzed in an effort to find means to reduce expenses through reduced grounds maintenance in closed sections of the site. Maintenance is also required in the closed "back of house" sections of the site, as it compromises OPC's ability to increase revenue generating opportunities. As a result, OPC will map out key zones of the property that attract the most rental interest, focus on a general maintenance program for those areas and reduce grounds maintenance elsewhere. Where possible, OPC will focus business opportunities onto the most revenue-positive/minimum-maintenance-cost site areas.

In 2014, progress on the annual capital program was significantly affected by the departure of key management staff. For 2015, the staffing is planned to be in place well in advance of the spring construction season to complete past capital projects, begin preparation for the Pan Am Games and undertake the 2015 capital plan, as outlined further in this Business Plan.

2. Security services, contract management, event support and compliance

In 2014, the Security and Loss Prevention unit composed of fixed term and on call staff were notified in September that their contracts would not be renewed. As of October 14th, 2014 Ontario Place secured contracted security services by way of competitive process using a Request for Service from the government's vendors of record. This contracted security service will continue to protect the corporate assets, provide access control, respond to emergency situations and provide a safe and secure environment to all guests and patrons visiting Ontario Place or its partners: Live Nation, Atlantis or any booked events. The Management team will continue to assess and implement operational efficiencies for this unit.

The Operations division will continue to support on-site events and programmes with a complement of approximately 20 seasonal students to assist with guest arrival, access and egress for all pedestrian and vehicular traffic at Ontario Place, including Live Nation concert guests, Pan Am games and the numerous events around Ontario Place property.

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Compliance to the various codes, such as the AODA and Fire Code will be a continual and ongoing process throughout 2015. The emergency replacement of the fire alarm panel which has been started in 2014 will be completed by the summer of 2015. Fire, life safety and emergency contingency plans will continually be updated and prepared as changes occur with the development of the revitalization.

- 3. Marina** (see Businesses and Activities on page 14)
- 4. Parking** (see Businesses and Activities on page 14)

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Businesses and Activities

2015 Operational Overview

The main operational strategies for 2015 are to:

- Maximize revenue generation through existing core business operations (marina, parking and site rentals);
- Maintain the overall site as a healthy and safe site;
- Manage existing corporate assets including undertaking surplus asset disposal and limited demolition, as approved by the Board;
- Support the operational requirements of the business revenue streams;
- Implement capital projects as they relate to Health & Safety improvements and site preparation for the 2015 Pan Am Games.

A proposed 2015 Fee Schedule is found as Appendix B.

Current Revenue Streams and Activities:

1. Molson Canadian Amphitheatre (Live Nation)

- Operates May to September and has a capacity of 16,000.
- Managed through a Lease Agreement with Live Nation (to December 2020).

	2012 Actual	2013 Actual	2014 Projected	2015 Forecast
# of Concerts	29	37	38	36

Note: Live Nation's Echo Beach concerts and festival are activities captured under Event Rentals.

2014 Operational Issues/Highlights:

- Due to the reduction of available spaces at Exhibition Place during the CNE and increased traffic congestion due to the lane closures of the Gardiner Expressway, provided challenges for OPC during concert season.

2015 Activities and Operational Impact

- OPC will work with Live Nation to coordinate and adjust OPC – LN operations during the 2015 Pan Am games

2. Atlantis Pavilion

Atlantis has a license agreement for the use of POD's 1 & 2 as a hospitality and event venue facility, banquet center and the location of the Atlantis corporate head office.

2014 Operational Issues/Highlights:

- OPC continues to work with Atlantis to manage expectations around landscape maintenance and guest access to the grounds.

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- Vigilant maintenance is required to minimize POD roof leaks, climate control and to keep Bridge 10 in good general condition. This is an operational challenge for OPC during extreme weather.

2015 Activities and Operational Impact

- OPC will work with Atlantis to coordinate OPC – Atlantis operations during the 2015 Pan Am games
- OPC will continue to support Atlantis operations and will address maintenance, health and safety issues.

3. Ontario Place Marina

The Ontario Place Marina has long been a popular mooring facility for boaters due to its proximity to downtown Toronto. Ontario Place has 240 slips available for daily, monthly and seasonal rental.

The Marina is open from the first Saturday in May through to mid-October and offers the following services:

- 24 hour-a-day dock access control
- 15/30/50 amp shore power hook-up
- Water hook-up
- Gas and diesel fuel, pump-out
- Private washrooms and showers
- Laundry/ice/pump-out
- Monitoring of VHF Channel 68
- Ontario Place security
- Marina staff
- Complimentary high-speed wireless internet available

2015 Plans and Operational Impact

- No rate increase is proposed for the 2015 season.
- Revenue for seasonal dock rentals will likely decrease. The anticipated traffic congestion in the vicinity of OPC leading up to and during the Pan Am games will be a factor.

4. Parking, Site and Facility rentals

In 2014, Ontario Place operated 4 parking lots (Lots 1, 2, 2A and 3) with over 1,500 parking spaces available for guest use attending various events in and around Ontario Place. In addition, Ontario Place offered over 500,000 square feet of outdoor space for event programming, concerts, and film shoot locations in the parking lots and certain areas of the park.

There are 3 distinct revenue generating opportunities:

- a. Parking Lot operations
- b. Site and Facility rentals
- c. Film and Television Production rentals

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a. Parking Lot Operations

Parking lot operations generate revenues through the contracted Pay and Display machines. Revenues are projected to decrease nominally in 2015 due to loss of parking in Lot 3 which is to be developed as the new Urban Park and Trail.

b. Site and Facility Rentals

Ontario Place offers various site rental opportunities of parking lots and park areas for concerts, corporate events, community events and fundraisers, including:

Echo Beach

- Capacity of 5,000
- Live Nation is currently the predominant, but not exclusive, user of the Echo Beach site.

East Island

- Large scale festival venue can accommodate multiple stages, food and merchandise locations.
- Managed through Rental Agreements for each festival event.

West Island

- Plans are underway to make this area available for event based rentals.

2014 Site Rental Operational Issues/Highlights:

- In 2014, OPC had 81 site rentals versus 76 in 2013 and a 60% increase in revenues over 2013.
- Ontario Place had a number of repeat and new third party events including: the Princess Margaret Hospital's Road Hockey to Conquer Cancer, 2014 Scotia Bank Toronto Waterfront Marathon, and 2014 Goodlife Fitness Toronto Marathon.
- Live Nation presented the same number of musical event days at Echo Beach and the Flats in 2014 as in 2013. The potential exists for similar rental demand in 2015.
- Live Nation continued their "out of season" programming at Echo Beach with a reprise of the February winter music festival called 'Brrrrr!' that hosted 3,189 attendees.
- In anticipation of the continued demand for parking lot and site rentals, management initiated an annual review of the rental fee schedule, the market, staff resources and operational requirements of this business. The fee schedule and Event Rental Policies and Guidelines are posted on the OPC website.

2015 Plans and Operational Impact

- The construction of the Urban Park and Waterfront Trail on the eastern edge of the site on Parking Lot 3 and the Administration Lot will result in the loss of 340 spaces in Lot 3 and the loss of another 364 overflow spaces of Lot 4 (Administration). This will reduce parking revenues and OPC's ability to provide large-scale flexible event rental space on East Island.

c. Film and Television Production

OPC will continue to maximize opportunities for filming on the vacant OP grounds.

2014 Operational Issues/Highlights:

- In 2014, the OPC grounds were rented for a total of 6 productions including the TV shows Transporter, Rookie Blue, and 12 Monkeys.

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- Staff continues to provide site tours to interested location scouts, marketing and production companies.

2015 Activities and Operational Impact:

- Production interest is expected to continue in 2015
- Staff will continue to work with the Ontario Media Development Corporation to position Ontario Place as a viable film production site and plans to improve its visual and information content on the OMDC's Digital Library.
- A Spring 2015 Open House for GTA Location Scouts is under consideration.

Following a review of its site rental rates, OPC is proposing to adjust its fee schedule for Parking Lot and Venue Event Rentals and daily parking rates in 2015 and is found as Appendix B.

5. Host Site 2015 Pan Am Parapan Games

Ontario Place Corporation signed a Venue-Use Agreement with TO2015 for exclusive and non-exclusive access and use rights of the North West area of the site. In consideration for the access, TO2015 has agreed to pay OPC a fixed license fee of \$193,651.94 (payable in 2015) and a fixed reimbursable fee of \$30,000 (received in 2014).

The OP venue will use both water and road features as it hosts a variety of endurance courses and water sports for the Pan Am Games, and a road race for the Parapan Am Games. Grandstands will be erected for both water and road course sides, providing spectators with excellent site lines to experience the following sports:

- 10 km open water swimming
- Waterski & Wakeboard
- Marathon
- Race-walk
- Road cycling (Pan Am and Parapan)
- Triathlon

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2015 Financial Plan

Introduction

In 2014 the ministry confirmed two years of operating support funding, at up to \$2M a year, to December 31, 2015, and management continued the stabilized Ontario Place operations established in 2013. As the ministry developed revitalization plans, OPC was charged with supporting its business partners, operating the core remaining businesses and generally increasing revenues. The year was financially successful.

The current capital program is based on maintaining a safe site awaiting revitalization and the program is funded from previously unspent capital reserves. As the OPC has been in transition, no capital grant funding has been requested nor received from the Ministry since 2012.

In 2015 the operating budget will continue to address priorities including emergency and minor site repairs and decommissioning, while operating the current core businesses.

Three-Year Assumptions

The following general assumptions were used to forecast operating budgets:

Revenues:

- OPC is forecasting that the revenue levels established in 2014 will generally remain steady for 2015, with a few exceptions. In 2015 during OPC's busy summer period the site is being partially dedicated to hosting 2015 Pan/ ParaPan Am Games as such, a decline in revenue is being forecasted for parking lot, marina and event revenues
- Third party sign rentals are being eliminated along Lakeshore Boulevard and this revenue reduction is reflected in 2015 Budget.
- Overall, in 2015 OPC is forecasting a similar total revenues and expenditures, therefore maintaining similar net bottom-line and operating subsidy

Expenses:

- A decrease in salary expenditures for 2015 is being forecasted, due to the transfer of security responsibilities to a contracted service. In conjunction, an increase to the site services line item is forecast due to the addition of the security services contract.
- OPC will continue to monitor expenditures for both one-time and ongoing cost savings

The following operating budgets are submitted for ministry review and approval:

- 1. 2015 Proposed Budget**
- 2. 2015-2017 Multi-year Budget**

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2015 Proposed Budget				
	2014 Projected (Unaudited)	2015 Budget	Better/(Worse)	
	(\$000's)	(\$000's)	(\$000's)	%
Park Revenue	2,924	2,437	(487)	(17%)
Licensee Revenues	1,830	2,060	230	13%
TOTAL OPERATING REVENUE	4,754	4,497	(257)	(5%)
TOTAL OPERATING EXPENSES	6,303	6,487	(184)	(3%)
Income/(Loss) Before Operating Subsidies	(1,549)	(1,990)	(441)	(28%)
Operating Subsidies	2,000	2,000		
Net Income/(Loss)	451	10	na	na

2015-2017 Multi-year Budget			
	2015	2016	2017
	(\$000's)	(\$000's)	(\$000's)
Park Revenue	2,437	2,615	2,510
Licensee Revenues	2,060	1,990	1,800
TOTAL OPERATING REVENUE	4,497	4,605	4,310
TOTAL OPERATING EXPENSES	6,487	7,065	7,220
Income/(Loss) Before Operating Subsidies	(1,990)	(2,460)	(2,910)
Operating Subsidies	2,000	2,470	2,920
Net Income/(Loss)	10	10	10

Funding Grants

The ministry has previously confirmed up to a \$2.0M funding grant for 2015. In addition, Ontario Place manages a modest unrestricted cash reserve fund to ensure OPC has sufficient cash to meet operational needs during an operational term. The cash reserve fund is used to fund the OPC Capital program and addresses both carry-forward and new projects. Note, there is a risk that the cash reserves are not sufficient to cover ongoing OPC liabilities.

The 2015 OPC budget acknowledges a \$2.0M annual funding grant from the government to address the shortfall between self-generated revenues and operating expenses. For the next three years, OPC is projecting the Ministry's subsidies as follows but notes that the figures are subject to change as changes are implemented through the year (2015):

(000's)	2015	2016	2017	Total
Operating	\$2,000	\$2,470	\$2,920	TBD
Capital – H & S refurbishment	0	TBD	TBD	TBD
Total	\$2,000	\$2,470	\$2,920	TBD

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2015 Capital Plan

Review of 2014 Capital Projects

The 2014 Ontario Place Capital Program was self-funded through a previously unspent capital reserve fund. The 2014 capital program had a goal of 9 projects to complete. Several factors affected the program over the course of the year, none more so than: a 7-month vacancy of the Sr. Manager position responsible for Capital Projects; and, events beyond the control of OPC involving the "caretaker mode" assumed during 2014 provincial election campaign.

In 2014 the parking lot lighting rehabilitation project was put on hold by management pending resolution of Urban Park and Trail limits and future use and development of the parking lots. The parking lot lighting project will be carried forward into future years for completion. In the interim, management is paying for seasonal temporary lighting in the parking lots. The West Entrance garage door replacement project has also been put on-hold pending details emerging from Revitalization plans. Atlantis refurbishment projects were put on hold pending the outcome of negotiations with Atlantis.

2015 Capital Plan: \$0.955M

The 2015 capital program includes completing in-process 2014 capital projects, the carry forward capital projects, and new 2015 capital projects related to health and safety, operational streamlining and consolidation. OPC will self-fund all identified capital projects from the cash reserve fund.

ONTARIO PLACE CORPORATION

2015 BUSINESS PLAN

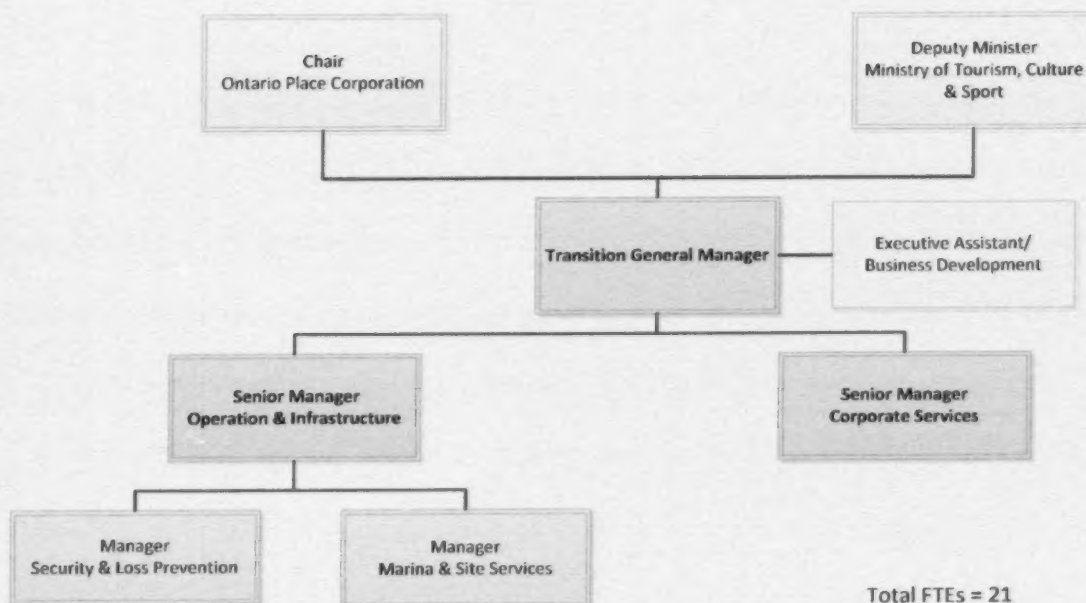
2015 Goals and Performance Measures

OPC 2015 Initiatives	Measures
Revenue from OPC operations	Achieve 69 % of all revenue
Meet 2015 OPC budget targets	Meet or exceed 2015 OPC budget net income target
Host Toronto 2015 Pan American Games	Provide all services and assistance required under the OPC-TO2015 Venue Use agreement
Maintain or increase site usage.	Meet or exceed 2014 site visitation rate.
Provide site beautification for Pan Am Games in 2015	Have site beautification completed by June 2015
Complete Board approved demolition of non-heritage structures	Achieve Minister's clearance for select removal of small historically insignificant buildings and complete building removal in 2015.
Review IT network connectivity and recommend modifications to allow corporate emails to function during site power disruptions.	Identify and implement a low-cost quick solution by fall of 2015
Implement on-line Surplus Asset disposal service to dispose of and sell those assets declared surplus to need of the corporation.	Commence disposal of remaining surplus assets by way of competitive on-line process in 2015.

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APPENDIX A: Organizational Chart



ONTARIO PLACE CORPORATION

2015 BUSINESS PLAN

APPENDIX B: 2015 Fee Schedule

Under *The Ontario Place Act*, OPC can establish fees, subject to the approval of the Deputy Minister, for entrance into Ontario Place and in connection with any service or facility provided in Ontario Place.

1. Daily Parking

Daily parking rates will be increased to:

- \$15 in low season (November – April) (from \$12)
- \$25 in peak season (May – October) (from \$20)

2. Daily Parking Lot Event Rental Rates

	LOT 1 50,000 sq./ft. *	LOT 2 212,138 sq./ft.	LOT 2A 40,762 sq./ft.	Guest Services Lot **
2014	\$2,000	\$4,000	\$1,000	\$750
2015	\$2,500	\$6,000	\$2,000	\$750 - \$1,500**

Charity discount is 50%

Multi-day discount is 10%

These two discounts cannot be combined

Load in/out days charged at 50% less than daily event rate

* Useable area (excludes Atlantis and marina designated parking)

** \$1,500 rate to be charged if GSP building demolished and lot is expanded for 2015 season

3. Daily Site Event Rental Rates

	West Island	East Island *	Site-wide Race/Walk Route**	Echo Beach	Waterfall Stage***
2014	\$10,000	\$10,000	\$5,000 - \$10,000	\$2,500	-
2015	\$10,000	\$7,000	\$10,000 - \$15,000	\$3,500	\$2,500

Charity discount is 50%

Multi-day discount is 10%

These two discounts cannot be combined

Load in/out days: \$2,500 daily

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* Rate reduced due to significant loss of usable space as Lot 3 and Administration lot become part of the Urban Park and Waterfront Trail project

** Sliding scale rate charged according to site area used and operational impact

*** Includes access to lower GoZone and Bridge 6. Client responsible for providing own technical services

Ontario Place in 2015 may establish a percentage revenue fee for large scale multi day events on the property, between 5% and 10% of gross event revenues.

4. Marina Seasonal Dockage Rates

Marina Seasonal Dockage	2012	2013	2014	2015
30 amp rate per foot	\$82.85	\$82.85	\$87.00	\$87.00
50 amp rate per foot	\$87.60	\$87.60	\$92.00	\$92.00

No rate increase proposed for the 2015 season.